

Proposed Legislation: Subcontractor Default Insurance for GC/CM

For CPARB Consideration May 12, 2016

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Modify RCW 39.10.380 as follows:

(3) All subcontractors who bid work over three hundred thousand dollars shall post a bid bond. All subcontractors who are awarded a contract over three hundred thousand dollars shall provide a performance and payment bond for the contract amount. All other subcontractors shall provide a performance and payment bond if required by the general contractor/construction manager. **The public body may, in lieu of bonding, authorize the general contractor/construction manager to obtain Subcontractor Default Insurance that assures enrolled participants will faithfully perform all the provisions of the contract, and will pay all laborers, mechanics, and subcontractors and material suppliers, and all persons who supply such person or persons, or subcontractors. The Subcontractor Default Insurance shall provide coverage and be issued by an insurer acceptable to the public body. The public body may authorize or require enrollment of subcontractors in such Subcontractor Default Insurance program, and may require that the public body and subtier laborers, mechanics, and/or subcontractors be named as additional insureds. The bonding requirements of this subsection and RCW 39.10.385(10) shall not apply to a subcontractor enrolled in such an SDI program.**